

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON**

**In re GALENA BIOPHARMA, INC.
DERIVATIVE LITIGATION,**

Case No. 3:14-cv-00382-SI (LEAD)

3:14-cv-00514-SI

3:14-cv-00516-SI

3:15-cv-01465-SI

**ORDER PRELIMINARILY
APPROVING PROPOSED
SETTLEMENT, PROVIDING FOR
NOTICE, AND SCHEDULING
SETTLEMENT HEARING**

Michael H. Simon, District Judge.

The parties to this consolidated shareholder derivative action (the “Action”) have made an application, pursuant to Fed. R. Civ. P. 23.1, for an order: (i) preliminarily approving the Settlement of the Action, in accordance with the Amended Stipulation and Agreement of Settlement dated February 1, 2016 (the “Stipulation”), which, together with the exhibits annexed thereto, sets forth the terms and conditions for the proposed Settlement and dismissal of the Action with prejudice, upon the terms and conditions set forth therein; and (ii) approving the form and content of the Notice to Current Galena Stockholders (the “Notice”) to be filed with the U.S. Securities and Exchange Commission (“SEC”) via a Current Report on Form 8-K and posted on the Investor portion of Galena’s website, and approving the form and content of the Summary Notice to Current Galena Stockholders (the “Summary Notice”) to be published in a press release by the Company and one time in *Investors’ Business Daily*, *The Oregonian*, and

The Wall Street Journal. All capitalized terms contained herein shall have the same meanings as set forth in the Stipulation (in addition to those capitalized terms defined herein).

IT IS HEREBY ORDERED:

1. The Court preliminarily approves, subject to further consideration at the Settlement Hearing described below, the Stipulation and the Settlement set forth therein, including the terms and conditions for settlement and dismissal with prejudice of the Action.

2. A hearing (the “Settlement Hearing”) shall be held before the Court on Thursday, **April 21, 2016 at 11:00 a.m. in Courtroom 13B** of the Mark O. Hatfield U.S. Courthouse, 1000 SW Third Avenue, Portland, Oregon, to determine: (i) whether the terms and conditions of the Settlement set forth in the Stipulation are fair, reasonable, and adequate to Galena and Current Galena Shareholders and should be finally approved by the Court; (ii) whether a Final Order and Judgment approving the Settlement, as provided for in paragraph 1.14 of the Stipulation and attached thereto as Exhibit E, should be entered; and (iii) whether Plaintiffs’ Counsel’s agreed-to Fee Award should be finally approved.

3. The Court approves, as to form and content, the Notice attached as Exhibit C and the Summary Notice attached as Exhibit D to the Stipulation and for convenience annexed as Exhibits C and D hereto, and finds that the posting of such Notice and Summary Notice substantially in the manner and form set forth in the Stipulation, meets the requirements of Federal Rule of Civil Procedure 23.1 and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

4. Not later than ten (10) business days following entry of this Order, Galena shall cause: (a) a press release to be issued that contains the contents of the Summary Notice; (b) a Current Report on Form 8-K to be filed with the SEC that contains the contents of the Summary

Notice, attach a copy of the Stipulation to the 8-K and provide a link in the 8-K to the Stipulation and Notice that shall be posted on the Investor portion of Galena's website; and (c) a copy of the Summary Notice to be published one time in *Investor's Business Daily*, *The Oregonian*, and *The Wall Street Journal*.

5. All papers in support of the Settlement, the Fee Award, and the Incentive Awards shall be filed with the Court and served at least twenty-one (21) days before the Settlement Hearing and any reply papers shall be filed with the Court at least seven (7) days before the Settlement Hearing.

6. Any Current Galena Stockholder may object and appear and show cause, if he, she, or it has any concern, why the Settlement should not be finally approved as fair, reasonable, and adequate, or why the Final Order and Judgment should not be entered thereon, or why the Fee Award or Incentive Awards should not be finally approved; provided, however, unless otherwise ordered by the Court, no Current Galena Stockholder shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Final Order and Judgment to be entered thereon approving the same, or the Fee Award or Incentive Awards, unless that Stockholder has, at least fourteen (14) days before the Settlement Hearing: (1) filed with the Clerk of the Court a written objection to the Settlement, Fee Award, or Incentive Awards setting forth: (a) the nature of the objection; (b) proof of ownership of Galena common stock through the date of the Settlement Hearing, including the number of shares of Galena common stock and the date of purchase; and (c) any documentation in support of such objection; and (2) if a Current Galena Stockholder intends to appear and requests to be heard at the Settlement Hearing, such Shareholder must have, in addition to the requirements of (1) above, filed with the Clerk of the Court: (a) a written notice of such Stockholder's intention to

appear; (b) a statement that indicates the basis for such appearance; and (c) the identities of any witnesses the Stockholder intends to call at the Settlement Hearing and a statement as to the subject of their testimony. Any Current Galena Stockholder who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement, the Fee Award, or the Incentive Awards as incorporated in the Stipulation, unless otherwise ordered by the Court, but shall otherwise be bound by the Final Order and Judgment to be entered and the releases to be given.

7. At least ten (10) business days before the Settlement Hearing, Defendants' Counsel shall serve on counsel in the Action and file with the Court proof, by affidavit or declaration, of the publication of the Notice and Summary Notice.

8. All Current Galena Stockholders shall be bound by all orders, determinations, and judgments in the Action concerning the Settlement, whether favorable or unfavorable to Current Galena Stockholders.

9. Pending final determination of whether the Settlement should be approved, no Current Galena Stockholders, either directly, representatively, or in any other capacity, shall commence or prosecute against any of the Individual Defendants or Galena, or derivatively on behalf of Galena, any action or proceeding in any court or tribunal asserting any of Plaintiffs' Released Claims.

10. Neither the Stipulation (including any exhibits attached hereto) nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is or may be deemed to be or may be offered, attempted to be offered or used in any way by the Parties as a presumption, a concession or an admission of, or

evidence of, the validity of any of Plaintiffs' Released Claims, or of any fault, wrongdoing or liability of any of the Parties, Plaintiffs' Counsel, Defendants' Counsel, Defendants' Released Persons or Plaintiffs' Released Persons; or (ii) is or may be deemed to be or may be offered, attempted to be offered or used in any way by the Parties as a presumption, a concession or an admission of, or evidence of, any fault, omission, wrongdoing or liability of any of the Parties, Plaintiffs' Counsel, Defendants' Counsel, Defendants' Released Persons or Plaintiffs' Released Persons in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. The Parties, Plaintiffs' Counsel, Defendants' Counsel, Defendants' Released Persons and Plaintiffs' Released Persons may file the Stipulation and/or the Final Order and Judgment in any action that may be brought, or has been brought, against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

11. The Court reserves the right to adjourn the date of the Settlement Hearing or modify any other dates set forth herein without further notice to Current Galena Stockholders, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement. The Court may approve the Settlement and any of its terms, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to Current Galena Stockholders.

IT IS SO ORDERED.

DATED this 4th day of February, 2016.

/s/ Michael H. Simon
Michael H. Simon
United States District Judge